Review of Defence Deals

2166. SHRI BRATIN SENGUPTA: Will the Minister of DEFENCE be pleased to state:

(a) whether Government are considering any review of the defence deals, in order to be more cautious in future about our defence requirements;

(b) whether a review is being done about the performances of middlemen as well; and

(c) whether Government plan to make any amendment to the procedure of defence deals?

THE MINISTER OF DEFENCE (SHRI GEORGE FERNANDES): (a) to (c) The Service headquarters project their requirements based on Annual Provision Reviews, the threat perception and the available resources, in the form of Priority Procurement Plans. This is a continuous process. Existing Government instructions debar the involvement of agents in the purchases being made for Armed Forces. Contracts concluded by the Ministry of Defence stipulate a clause on non-involvement of agents specifying that in case at a later date agents are found to be involved in the contract, the contract will be liable for termination alongwith refund to payments made under the contract with interest and black-listing of the company for a minimum period of 5 years. The amount paid as commission to the agent will also have to be refunded. Existing procedures are amply clear in this regard and at present there is no proposal to amend these.

Acknowldegement of Cheques for Kargil Fund

2167. SHRI SANJAY NIRUPAM: Will the Minister of DEFENCE be pleased to state:

(a) whether Government or the Army Hqrs. have devised any procedure for acknowledging cheques received for kargil fund; if so, the details thereof; and

(b) whether Government are aware of certain complaints about non-acknowledgement of their cheques; if so, the steps taken to remove their grievances?

THE MINISTER OF DEFENCE (SHRI GEORGE FERNANDES): (a) and (b) In respect of cheques/demand drafts received for the National Defence Fund, the Prime Minister's Office issues provisional receipts and the bankers of the fund issue the formal receipt on realisation of the cheques/demand drafts. The recepits in acknowledgement of the cheques/demand drafts received for Army Central Welfare Fund are sent to the donors on confirmation from the banker about the realisation of the cheques/demand drafts. Receipts are not issued in cases where cheques are dishonoured. Wherever the donors have complained about the non-receipt of acknowledgement in these cases, duplicate receipts are issued.